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FORTY-EIGHTH ANNUAL REPORT  
OF THE  
PRESIDENT AND DIRECTORS  
TO THE  
STOCKHOLDERS  
OF THE  
Cleveland and Pittsburgh  
RAILROAD COMPANY.

PRESENTED AT THE ANNUAL MEETING

Held at Cleveland, January, 1896.

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CLEVELAND, OHIO:  
WINN & JUDSON, Printers, 74 Frankfort St.  
1896.



# CLEVELAND & PITTSBURGH RAILROAD CO.

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## ANNUAL MEETING OF STOCKHOLDERS

FOR THE

## ELECTION OF DIRECTORS,

HELD AT CLEVELAND, JANUARY 1, 1896.

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## DIRECTORS CHOSEN

FOR THE YEAR 1896.

|                        |              |
|------------------------|--------------|
| R. F. SMITH .....      | CLEVELAND    |
| J. V. PAINTER .....    | CLEVELAND    |
| E. R. PERKINS .....    | CLEVELAND    |
| M. A. HANNA .....      | CLEVELAND    |
| H. C. RANNEY .....     | CLEVELAND    |
| E. A. FERGUSON .....   | CINCINNATI   |
| J. T. BROOKS .....     | SALEM, O.    |
| GEO. B. ROBERTS .....  | PHILADELPHIA |
| H. DARLINGTON .....    | PITTSBURGH   |
| CHAS. LANIER .....     | NEW YORK     |
| WM. C. EGGLESTON ..... | NEW YORK     |
| J. S. KENNEDY .....    | NEW YORK     |

## OFFICERS.

|                  |       |                 |
|------------------|-------|-----------------|
| R. F. SMITH,     | - - - | PRESIDENT.      |
| J. V. PAINTER,   | - - - | VICE PRESIDENT. |
| G. A. INGERSOLL, | v v   | SEC. AND TREAS. |



# REPORT.

CLEVELAND, OHIO, January 1st, 1896.

*To the Stockholders of the Cleveland & Pittsburgh Railroad Company:*

Your Board of Directors presents report of operations for the year ended November 30, 1895, as follows:

## RECEIPTS.

|   |                  |
|---|------------------|
| From the Lessee for account of rental, interest, sinking funds, etc ..... | \$1,336,248 48   |
| From interest on investments and cash balances....                        | <u>14,315 97</u> |
| TOTAL RECEIPTS.....   | \$1,350,564 45   |

## DISBURSEMENTS.

|                                       |                   |
|---------------------------------------|-------------------|
| For Dividends .....                   | \$786,923 50      |
| For Interest on Bonds .....           | 313,630 00        |
| Sinking Fund Contributions:           |                   |
| Consolidated Mortgage of 1900....     | \$176,092 46      |
| Construction and Equipment Bonds      | <u>62,620 00</u>  |
| TOTAL SINKING FUNDS.                  | \$238,712 46      |
| For Maintenance of Organization ..... | <u>10,121 47</u>  |
| TOTAL DISBURSEMENTS..                 | \$1,349,387 43    |
| BALANCE UNEXPENDED..                  | <u>\$1,177 02</u> |

## SINKING FUNDS.

The following statements illustrate the operations for account of the Sinking Funds during the year:

## CONSOLIDATED SINKING FUND.

|  |               |
|--|---------------|
| In the hands of the Trustee November 30, 1894..... | \$ 289,150 26 |
| Contributions for the current year.....            | \$ 163,022 00 |
| Interest received on cash balances.....            | \$ 1,237 96   |
| Interest received on Government Bonds... 11,832 50 | 13,070 46     |

|                                   |               |
|-----------------------------------|---------------|
| TOTAL CONTRIBUTIONS AND INTEREST. | \$ 176,092 46 |
| TOTAL .....                       | \$ 465,242 72 |

## CONTRA.

|  |               |
|--|---------------|
| Bonds retired and canceled—92 Bonds..... | \$ 107,955 00 |
|--|---------------|

Balance in Trustee's hands November 30, 1895, as follows:

|  |               |
|--|---------------|
| United States Five Per Cent. Bonds ..... | \$ 278,505 04 |
| Unexpended balance—Cash.....             | 78,782 68     |
|  | \$ 357,287 72 |

## CONSTRUCTION AND EQUIPMENT BONDS.

|   |             |
|---|-------------|
| Balance in Trustee's hands November 30, 1894..... | \$ 1,631 68 |
| Contributions for current year .....              | 62,620 00   |

|             |              |
|-------------|--------------|
| TOTAL ..... | \$ 64,251 68 |
|-------------|--------------|

## CONTRA.

|  |             |
|--|-------------|
| Bonds retired and canceled—58 Bonds.....       | 58,000 00   |
| Balance in Trustee's hands November 30, 1895.. | \$ 6,251 68 |

Of the Construction and Equipment Bonds allotted and called, in January last, for account of the Sinking Fund, six Bonds—\$6,000.00—yet remain outstanding, although interest on the same ceased to run from July 1st, 1895.

Purchase of United States new Five Per Cent. Bonds was made in January last to the amount of \$118,650.00 par value at an aggregate cost, including accrued interest, of \$139,191.29,



pursuant to provisions, and for account, of the Sinking Fund of the Consolidated mortgage of 1900.

The income from this investment, as also from former similar investment reported last year, \$11,832.50, is included in contributions to Consolidated Mortgage Sinking Fund as will be seen above.

### FUNDED DEBT.

The following statement will show the changes in the Funded Debt since the last Annual Report:

#### CONSOLIDATED AND SINKING FUND MORTGAGE BONDS OF 1900.

|   |                 |
|---|-----------------|
| Outstanding November 30, 1894.....  | \$ 1,576,000 00 |
| Bonds retired and canceled for account of the Sinking Fund—92 Bonds ..... | \$ 92,000 00    |
|   | <hr/>           |
| Outstanding November 30, 1895....   | \$ 1,484,000 00 |

#### CONSTRUCTION AND EQUIPMENT BONDS.

|                                    |               |
|------------------------------------|---------------|
| Outstanding November 30, 1894..... | \$ 222,000 00 |
|------------------------------------|---------------|

#### CONTRA.

|  |               |
|--|---------------|
| Retired and canceled for account of the Sinking Fund—58 Bonds..... | \$ 58,000 00  |
|  | <hr/>         |
| Outstanding November 30, 1895.....                                 | \$ 164,000 00 |

#### GENERAL MORTGAGE BONDS.

|                                |                 |
|--------------------------------|-----------------|
| Outstanding November 30, 1895: |                 |
| Series A.....                  | \$ 3,000,000 00 |
| Series B.....                  | 1,245,000 00    |
|                                | <hr/>           |
| TOTAL .....                    | \$4,245,000 00  |
| No change during the year.     |                 |

## FOURTH MORTGAGE BONDS.

Outstanding November 30, 1894:

|                       |    |           |
|-----------------------|----|-----------|
| Bonds and Scrip ..... | \$ | 14,870 17 |
|-----------------------|----|-----------|

## CONTRA.

Retired and canceled during the year:

|                         |    |        |
|-------------------------|----|--------|
| One Bond—No. 2317 ..... | \$ | 500 00 |
|-------------------------|----|--------|

Outstanding November 30, 1895:

|             |    |           |
|-------------|----|-----------|
| Bonds ..... | \$ | 6,000 00  |
| Scrip ..... |    | 8,370 17  |
|             | \$ | 14,370 17 |

By the operations of the sinking Funds Ninety-two Consolidated and Sinking Fund Mortgage Bonds, Fifty-eight Construction and Equipment Bonds, Series A, and one Fourth Mortgage Bond, \$500, have been retired and canceled during the year.

## CAPITAL STOCK.

No changes have occurred in the outstanding issues of Capital Stock, or Scrip.

## BETTERMENTS.

The expenditures for Betterments for the year 1894 were inconsiderable, amounting to \$8,263.91 only, as follows:

## STATEMENT OF BETTERMENTS.

## REAL ESTATE:

|  |    |       |
|--|----|-------|
| Purchases in Bedford for delivery yard .....                           | \$ | 68 84 |
| Sundry expenditures for recording deeds, abstracting titles, etc. .... |    | 20 52 |
|  | \$ | 89 36 |

## RIGHT OF WAY:

|   |  |       |
|---|--|-------|
| Abstract of title to lands at Cleveland ..... |  | 10 00 |
|---|--|-------|

## STATION BUILDINGS:

|   |          |
|---|----------|
| Lake Transfer Freight House at Cleveland (Final)..... | 1,258 00 |
|---|----------|

## TRACK EXTENSIONS:

|   |                    |
|---|--------------------|
| Cost of 276 feet of breakwater for enlargement of Local<br>Freight Yard at Cleveland..... | 6,392 95           |
| Engineering expenses.....   | 513 60             |
| <b>TOTAL.....</b>   | <b>\$ 8,263 91</b> |

No issues of Bonds have been made during the year on account of Betterments. Expenditures on this account have been materially increased for the year under review, more definite statement of which will be given in the Supplementary Report, to follow later.

To enable compliance with the request of the New York Stock Exchange that the Annual Reports of Railroad Companies be published and distributed to stockholders at least fifteen days previous to the Annual Meeting for election of Directors, your Board took action at its meeting in November last looking to a change in the date of the Annual Meeting of this Company from the present date in January to a suitable day in May of each year.

This action having been taken too late for ratification at the present meeting of stockholders, the proxies for use thereat having been already circulated, the matter will be brought to your attention for action at the next Annual Meeting.

The Company's financial condition is illustrated in the following

## BALANCE SHEET.

## DEBTOR.

|  |                  |                         |
|--|------------------|-------------------------|
| Construction account.....  | \$ 14,591,344 65 |                         |
| Equipment " .....  | 3,905,786 01     |                         |
| Machinery and tools .....  | 99,980 42        |                         |
| Personal property.....   | 50,112 97        |                         |
| Telegraph lines.....   | 23,270 48        |                         |
| <b>TOTAL ROAD AND EQUIPMENT.....</b>   |                  | <b>\$ 18,670,494 53</b> |
| Cash in Treasurer's hands.....   | \$ 43,780 83     |                         |
| Cash at New York Agency.....   | 230,127 52       |                         |
| Farmers' Loan & Trust Company, Trustee, Fourth<br>Mortgage Bonds—Redemption account.....         | 29,436 49        |                         |
| Farmers' Loan & Trust Company, Trustee, for<br>Consolidated Mortgage Sinking Fund:               |                  |                         |
| Cash .....   | \$ 78,782 68     |                         |
| United States Bonds .....  | 278,505 04       |                         |
|  |                  | <b>357,287 72</b>       |
| Farmers' Loan & Trust Company,<br>Trustee, for Construction and<br>Equipment Bonds, Sinking Fund | 6,251 68         |                         |
| Farmers' Loan & Trust Company, in<br>trust for Stephen Brush and others                          | 5,500 00         |                         |
| Pennsylvania Railroad Company,<br>Lessee, Materials Account.....                                 | 261,210 66       |                         |
| Pennsylvania Railroad Company,<br>Lessee, Sinking Fund, Redemp-<br>tion Account .....            | 566,000 00       |                         |
| <b>TOTAL CASH AND ACCOUNTS..</b>   |                  | <b>1,499,594 90</b>     |
| <b>TOTAL DEBTOR.....</b>   |                  | <b>\$ 20,170,089 43</b> |

## CREDITOR.

## CAPITAL STOCK:

|                             |                  |                         |
|-----------------------------|------------------|-------------------------|
| Guaranteed Shares.....      | \$ 11,226,050 00 |                         |
| Original issues.....        | 11,000 00        |                         |
| Scrip issues.....           | 10,478 62        |                         |
| <b>TOTAL CAPITAL .....</b>  |                  | <b>\$ 11,247,528 62</b> |
| Fourth Mortgage Bonds ..... | \$ 6,000 00      |                         |
| Fourth Mortgage Scrip.....  | 8,370 17         |                         |
|                             |                  | <b>14,370 17</b>        |

## Consolidated and Sinking Fund

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| Mortgage Bonds.....                   | 2,840,500 00 |              |
| Less Bonds in Sinking Fund.....       | 1,356,500 00 |              |
|                                       | <hr/>        | 1,484,000 00 |
| General Mortgage Bonds:               |              |              |
| Series A.....                         | 3,000,000 00 |              |
| Series B.....                         | 1,245,000 00 |              |
|                                       | <hr/>        | 4,245,000 00 |
| Construction and Equipment Bonds..... | 901,000 00   |              |
| Less Bonds in Sinking Fund.....       | 737,000 00   | 164,000 00   |

|                         |  |                 |
|-------------------------|--|-----------------|
| TOTAL FUNDED DEBT ..... |  | \$ 5,907,370 17 |
|-------------------------|--|-----------------|

|  |            |              |
|--|------------|--------------|
| Balance of Income Account.....                                 |            | 2,711,634 53 |
| Due and unpaid on dividends and coupons .....                  | 224,326 53 |              |
| Due Pennsylvania Railroad Company, Lessee, on Betterments..... | 17,853 84  |              |
| Due to Individuals.....  | 61,375 74  |              |

|                     |  |            |
|---------------------|--|------------|
| TOTAL ACCOUNTS..... |  | 303,556 11 |
|---------------------|--|------------|

|                     |  |                  |
|---------------------|--|------------------|
| TOTAL CREDITOR..... |  | \$ 20,170,089 43 |
|---------------------|--|------------------|

The earnings of your property so far ascertained for the year 1895, reflect the improved conditions of the business of the country in a marked degree, and indicate a very satisfactory surplus over all fixed charges. The figures cannot be definitely stated at this time, but will be presented in the Supplementary Report.

All payments have been promptly met, and the obligations and requirements of the Lease, generally, have been faithfully fulfilled, by the Lessee.

By order of the Board.

Respectfully submitted,

R. F. SMITH,

President.



# SUPPLEMENTARY REPORT.

CLEVELAND, OHIO, March 2, 1896.

*To the Stockholders of the Cleveland & Pittsburgh Railroad Company:*

For your advisement your Directors submit the following Supplementary Report of the operations of your Road and property as reported by the Lessee for the year 1895:

## EARNINGS.

|                             |                       |
|-----------------------------|-----------------------|
| From Passenger Traffic..... | \$ 615,658 33         |
| " Freight           " ..... | 2,784,145 06          |
| " Mails, Express, etc.....  | 155,694 01            |
| <b>TOTAL EARNINGS .....</b> | <b>\$3,555,497 40</b> |

## EXPENDITURES.

|   |                       |
|---|-----------------------|
| Operating Expenses, including taxes.....                                    | \$ 2,076,426 17       |
| Dividend Fund .....   | 786,976 48            |
| Interest on Funded Debt .....   | 311,495 00            |
| Fund for Maintenance of Organization .....                                  | 10,000 00             |
| Rent of P., F. W. & C. Ry. Track between Pitts-<br>burgh and Rochester..... | 27,699 03             |
| <b>TOTAL EXPENDITURES.....</b>  | <b>\$3,212,596 68</b> |
| <b>SURPLUS .....</b>  | <b>\$ 342,900 72</b>  |

The net result here shown is the most favorable since 1883.

The comparison with the result for the previous year is as follows:

|                                     |                      |
|-------------------------------------|----------------------|
| Deficit, 1894.....                  | \$ 55,452 07         |
| Surplus, 1895.....                  | 342,900 72           |
| <b>INCREASE IN NET RESULTS.....</b> | <b>\$ 398,352 79</b> |

The comparison in detail with the previous year is as follows:

#### EARNINGS.

|                                 |              |         |               |
|---------------------------------|--------------|---------|---------------|
| Passenger Traffic .....         | Increase, \$ | 31,472  | 54            |
| Freight Traffic .....           | "            | 598,125 | 74            |
| Mails, Express, etc.....        | "            | 28,179  | 55            |
| TOTAL INCREASE IN EARNINGS..... |              |         | \$ 657,777 83 |

There is an increase in the Total Earnings of .22.7 per cent.; in Passenger Earnings of .05.4 per cent.; in Freight Earnings of .27.4 per cent., and in Mails, Express, etc., of .22 per cent.

#### EXPENDITURES.

|                                 |              |           |               |
|---------------------------------|--------------|-----------|---------------|
| Operating Expenses.....         | Increase,    | \$274,087 | 61            |
| Rent of the P., F. W. & C. Ry.. | Decrease, \$ | 3,162     | 57            |
| Interest on Funded Debt.....    | "            | 11,500    | 00            |
|                                 |              | 14,662    | 57            |
| NET INCREASE IN EXPENDITURES,   |              |           | \$ 259,425 04 |
| INCREASE IN NET INCOME .....    |              |           | \$ 398,352 79 |

The traffic figures compare with those of the previous year as follows:

|                         | 1895.          | 1894.          | Increase.    |
|-------------------------|----------------|----------------|--------------|
| Gross Earnings .....    | \$3,555,497 40 | \$2 897,719 57 | \$657,777 83 |
| Operating Expenses..... | 2,076,426 17   | 1,802,338 56   | 274,087 61   |
| NET EARNINGS .....      | \$1,479,071 23 | \$1,095,381 01 | \$383,690 22 |

The volume of business for 1895 is without precedent in the history of the property.

The Tonnage carried reached an aggregate of 5,189,510 tons against 3,923,613 tons in 1894, an increase of 1,265,897 tons, or .32.26 per cent. The increase in tons carried one mile is still larger, being .35.56 per cent,



The Passenger business, although very fair, compares less favorably, the increase in revenue over that for 1894 being .05.39 per cent.

The Lessee reports Expenditures during the year for account of Betterments in the sum of \$298,741.90, the details for which, the itemized account not yet having come to hand, will appear in the next Annual Report.

The Motive Power and Car Equipment of the Road are reported as being all in active service, except four condemned locomotives, which are now in process of rebuilding.

By order of the Board.

Respectfully submitted,

R. F. SMITH,

President.

